



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0140	Title:	Revise laws related to hunting and fishing licenses
Primary Sponsor:	Welborn, Jeffrey W	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$3,528,620	\$5,831,741	\$6,202,636	\$6,580,949
Other	\$0	\$4,082	\$10,644	\$17,337
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This legislation proposes to simplify and standardize discounts, create a new base hunting license, raise fishing license fees, and raise nonresident moose, sheep, goat, and bison fees for a result of \$5.6 million in additional annual revenue.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. The data used to assist the Licensing and Funding Advisory Council and the Environmental Quality Council with their recommendations was from 2012, the most current at the time. For continuity purposes, 2012 data was used for this fiscal note whenever possible.
2. It is assumed raising the fishing license fees as proposed would not affect the number of people purchasing them. The total new revenue for fishing license increase would be \$2,641,927 as outlined in the following table:

Fishing Licenses

Type:	Qty Purchased	Increase	Additional Revenue
Resident Season	132,366	\$3	\$397,098
Resident Youth	7,009	\$3	\$17,523
Resident 2-day	3,284	\$3	\$9,852
Nonresident Season	27,957	\$26	\$726,882
Nonresident 10 day	26,641	\$13	\$333,013
Nonresident 2 day	115,756	\$10	\$1,157,560
			\$2,641,927

3. It is assumed that creating a new base hunting license and incorporating the current hunting access enhancement fee (HAEF) into it would not affect the number of people purchasing them. The total new revenue from the base license would be \$1,669,009 and is outlined in the table below:

New Base Hunting License

Type:	Qty Purchased	Base Fee less HAEF	Additional Revenue
Resident	184,708	\$8	\$1,477,664
Nonresident	38,269	\$5	\$191,345
			\$ 1,669,009

4. Eliminating free licenses and standardizing discounts at half price for certain youth, senior, and disabled licenses would increase revenue. The senior piece is combined with a change in senior age in assumption 5. Since the new price might be substantially more, a reluctance percentage was added as the number of purchasers may decrease. The total new revenue for the half price standardization for youth and disabled would \$675,489.
- For residents, in 2012 FWP issued 94,334 licenses for \$332,716. With the price standardization, the department estimates 74,747 licenses sold for \$769,506 resulting in net resident increase of \$436,790
 - For nonresidents, in 2012 FWP issued 3,495 licenses for \$383,530. With the price standardization, the department estimates 2,544 licenses sold for \$622,229 resulting in a net nonresident increase of \$238,699
 - The total youth and disabled increase would be \$675,489.
5. Standardizing the resident senior discount and moving the eligibility date from age 62 to age 67 would also increase revenue. Based on a review of 2012 data, it was determined that 53% of sportsmen age 62 and up were aged 67 and up. It was estimated of those 67 and up, 70% would buy fishing licenses, 30% would buy upland bird licenses, and 15% would buy waterfowl licenses. Of those aged 62-67, it was estimated 70% would buy fishing licenses, 50% would buy upland bird licenses, and 20% would buy waterfowl licenses. Deer and elk numbers were from actual 2012 sales. The total new revenue from standardizing the senior discount and moving the eligibility age to 67 would be \$573,042.
- It is assumed FWP would issue 64,571 licenses to seniors age 67 and over generating \$523,102.
 - It is assumed FWP would issue 62,082 licenses to former seniors age 62-66 generating \$802,910.
 - Current income from these license sales to seniors aged 62 and over is \$752,970.
 - This change would result in total additional revenue \$573,042.
6. It is assumed that raising the nonresident moose, sheep, goat, and bison license fee from \$750 to \$1,250 would not cause any drop in the number of licenses issued and would result in \$45,000 additional revenue and is outlined in the following table:

Nonresident increase

Type:	Qty Purchased	Increase	Additional Revenue
Moose	11	\$500	\$5,500
Sheep	59	\$500	\$29,500
Mountain Goat	19	\$500	\$9,500
Bison	1	\$500	\$500
			<hr/>
			\$ 45,000

7. Standardizing the price of a nonresident Elk B license to \$270 would cause a decrease in revenue as FWP currently charges \$273 from using the most recent statute. In 2012, FWP issued 1,161 nonresident Elk B licenses. This results in a revenue reduction of \$3,483.
8. Allowing nonresident youth under 12 to fish without a license would have minimal impact due to the low numbers of nonresidents under 12 currently purchasing licenses and offset by accompanying adults purchasing licenses.
9. The net increase per license year in revenue would be \$5,600,984. 63% of license sales per calendar year occur by the June 30 fiscal year end. This ratio applied to FY 2016 result in a \$3,528,620 revenue increase for that year.
10. Removing the cap on the price of the big game combination license and the deer combination would result in an increase of revenue. FWP assumes the current number of hunters to continue at the new rate. In 2014 FWP had 12,632 big game purchasers, 6,600 deer combination license purchasers, and 4,225 of the deer combination licenses from the retained and reissued categories. Using the 2015 license prices as the base rate (which includes the 2% already), and a 2% CPI-U rate the net impact is outlined in the following table:

Removing the cap on the price of big game combination licenses:*LY 2016 combo licenses are currently priced at the level referenced in the amendment to HB 140*

Inflation Factor: CPI-U 2%

	Qty Purchased	Price	LY 2017	LY 2018	LY 2019
Big Game Combination License	12,632	\$ 981	247,840	\$ 500,636	\$ 758,489
Deer Combination License	6,600	\$ 577	76,164	\$ 153,851	\$ 233,092
Deer Combination License Reissued or Retained	4,225	\$ 577	48,757	\$ 98,488	\$ 149,214
			372,760	752,976	1,140,796

License year sales are distributed to select funds in the following manner:

General License Account (02409)	100% of Deer Combo License Reissued or Retained + 55% of Deer and Big Game Combos
Habitat Montana (02114)	16% of Deer and Big Game Combos
Habitat Montana (02469)	2% of Deer and Big Game Combos
Habitat Montana (09002)	2% of Deer and Big Game Combos
Block Management (02334)	25% of Deer and Big Game Combos

Fund allocations by license year:

	LY 2017	LY 2018	LY 2019
General License Account (02409)	226,959	458,456	694,584
Habitat Montana (02114)	51,841	104,718	158,653
Habitat Montana (02469)	6,480	13,090	19,832
Habitat Montana (09002)	6,480	13,090	19,832
Block Management (02334)	81,001	163,622	247,895

63% of the license year sales are completed by the end of the fiscal year.

37% of the license year sales occur in the following fiscal year.

Resulting increase in revenue by fiscal year:

	FY 2017	FY 2018	FY 2019
General License Account (02409)	142,984	372,802	607,217
Habitat Montana (02114)	32,660	85,153	138,697
Habitat Montana (02469)	4,082	10,644	17,337
Habitat Montana (09002)	4,082	10,644	17,337
Block Management (02334)	51,031	133,052	216,714
	234,839	612,296	997,302

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$3,528,620	\$5,831,741	\$6,202,636	\$6,580,949
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	<u>\$0</u>	<u>\$4,082</u>	<u>\$10,644</u>	<u>\$17,337</u>
TOTAL Revenues	<u>\$3,528,620</u>	<u>\$5,835,823</u>	<u>\$6,213,280</u>	<u>\$6,598,286</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$3,528,620	\$5,831,741	\$6,202,636	\$6,580,949
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$4,082	\$10,644	\$17,337

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date

